

AN ACT

relating to the systems and programs administered by the Teacher Retirement System of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 821.001(4) and (6), Government Code, are amended to read as follows:

(4) "Annual compensation" means the compensation to a member of the retirement system for service during a 12-month period determined by the retirement system [~~school-year~~] that is reportable and subject to contributions as provided by Section 822.201.

(6) "Employee" means a person who is employed, as determined by the retirement system, on other than a temporary basis by a single [~~an~~] employer for at least one-half time at a regular rate of pay comparable to that of other persons employed in similar positions.

SECTION 2. Section 822.001, Government Code, is amended by adding Subsection (c) to read as follows:

(c) Membership in the retirement system may only be established through employment with a single employer on at least a half-time basis.

SECTION 3. Section 822.003(c), Government Code, is amended to read as follows:

(c) A person does not terminate membership under Subsection

1 (a)(4) if the person:

2 (1) is performing military service creditable in the
3 retirement system;

4 (2) is on leave of absence from employment in a public
5 school; ~~or~~

6 (3) is earning service credit in another retirement
7 system covered by Chapter 803 or 805; or

8 (4) is employed by an employer covered by the
9 retirement system and is not eligible for membership in the
10 retirement system because the person is employed on less than a
11 half-time basis.

12 SECTION 4. Section 822.005(c), Government Code, is amended
13 to read as follows:

14 (c) A person is not entitled to withdraw contributions if
15 the person ~~[who]~~ is employed, has applied for employment, or has
16 received a promise of employment with an employer ~~[, in a position]~~
17 covered by the retirement system.

18 SECTION 5. Section 823.401, Government Code, is amended by
19 amending Subsection (f) and adding Subsection (f-1) to read as
20 follows:

21 (f) Except as provided by Subsection (f-1), the ~~[The]~~ amount
22 of service credit a member may establish under this section may not
23 exceed the lesser of the number of years of membership service
24 credit the member has in the retirement system for actual service in
25 public schools or 15 years.

26 (f-1) A member may not purchase more than five years of
27 service credit under this section for service credit considered

1 nonqualified service credit under Section 415(n)(3), Internal
2 Revenue Code of 1986.

3 SECTION 6. Section 825.115, Government Code, is amended by
4 adding Subsection (f) to read as follows:

5 (f) Notwithstanding any other law, Chapter 551 does not
6 apply to an assembly of the board of trustees or one of the board's
7 committees while attending a summit, conference, convention,
8 workshop, or other event held for educational purposes if the
9 assembly or committee does not deliberate, vote, or take action on a
10 specific matter of public business or public policy over which the
11 board of trustees or a committee of the board has supervision or
12 control. This subsection does not apply to a regular, special, or
13 emergency meeting of the board of trustees scheduled or called
14 under the board's bylaws.

15 SECTION 7. Section 825.4092(c), Government Code, is amended
16 to read as follows:

17 (c) Except as provided by Subsection (e), each payroll
18 period, for each retiree who is enrolled in the Texas Public School
19 Employees Group Insurance Program under Chapter 1575, Insurance
20 Code, the employer who reports the employment of a retiree shall
21 contribute to the trust fund established under that chapter an
22 amount established by the retirement system. In determining the
23 amount to be contributed by the employer under this subsection, the
24 retirement system shall consider [~~any difference between~~] the
25 amount a [~~the~~] retiree is required to pay for the retiree and any
26 enrolled dependents to participate in the group program and the
27 [~~full~~] cost of the retiree's and enrolled dependents' participation

1 in the group program [~~, as determined by the retirement system~~]. If
2 more than one employer reports the retiree to the retirement system
3 during a month, the amount of the required payment shall be prorated
4 among the employers.

5 SECTION 8. Section 1575.204(b), Insurance Code, is amended
6 to read as follows:

7 (b) Each state fiscal year, each employer who reports to the
8 retirement system under Section 824.6022, Government Code, the
9 employment of a retiree who is enrolled in and receiving coverage
10 under the group program shall contribute to the fund an amount
11 established by the trustee. In determining the amount to be
12 contributed by the employer under this subsection, the trustee
13 shall consider the [difference, if any, between the contribution]
14 amount a [that the reported] retiree is required to pay for the
15 retiree and any enrolled dependents to participate in the group
16 program and the [full] cost of all retirees' [the retiree's] and
17 enrolled dependents' participation in the group program [~~, as~~
18 determined by the trustee]. If more than one employer reports the
19 retiree to the retirement system during a month, the amount of the
20 contribution required by this subsection shall be prorated among
21 the employers. The amounts required to be paid under this
22 subsection are not required to be paid by a reporting employer for a
23 retiree who retired from the retirement system before September 1,
24 2005.

25 SECTION 9. (a) A joint interim committee is created to
26 study and review the health benefit plans, including TRS-Care and
27 TRS-ActiveCare, operated under Chapters 1575 and 1579, Insurance

1 Code, and propose reforms to address issues described by Subsection
2 (f) of this section.

3 (b) The joint interim committee shall be composed of three
4 senators appointed by the lieutenant governor and three members of
5 the house of representatives appointed by the speaker of the house
6 of representatives.

7 (c) The lieutenant governor and speaker of the house of
8 representatives shall each designate a co-chair from among the
9 joint interim committee members.

10 (d) The joint interim committee shall convene at the joint
11 call of the co-chairs.

12 (e) The joint interim committee has all other powers and
13 duties provided to a special or select committee by the rules of the
14 senate and house of representatives, by Subchapter B, Chapter 301,
15 Government Code, and by policies of the senate and house committees
16 on administration.

17 (f) The joint interim committee created by this section
18 shall study the health benefit plans, including TRS-Care and
19 TRS-ActiveCare, operated under Chapters 1575 and 1579, Insurance
20 Code, to examine and assess the following issues:

21 (1) the financial soundness of the plans;

22 (2) the cost and affordability of plan coverage to
23 persons eligible for coverage under the plans; and

24 (3) the sufficiency of access to physicians and health
25 care providers under the plans.

26 (g) As part of the study of TRS-ActiveCare described under
27 Subsection (f) of this section, the joint interim committee shall

1 study:

2 (1) the impact of allowing school districts and other
3 participating entities in the uniform group coverage program for
4 active employees under Chapter 1579, Insurance Code, to opt out of
5 that program;

6 (2) the impact, should participating entities be
7 authorized to opt out of the program, of allowing or prohibiting
8 future participation by previous participating entities that have
9 opted out; and

10 (3) the impact of establishing a regional rating
11 method for determining premiums charged in different regions of the
12 state for the benefits provided under a group coverage plan
13 established under the program.

14 (h) Not later than January 15, 2017, the joint interim
15 committee created by this section shall report the committee's
16 findings and recommendations to the lieutenant governor, the
17 speaker of the house of representatives, and the governor. The
18 joint interim committee shall include in its recommendations
19 specific statutory and regulatory changes that appear necessary
20 from the results of the committee's study under Subsection (f) of
21 this section.

22 (i) Not later than the 60th day after the effective date of
23 this Act, the lieutenant governor and speaker of the house of
24 representatives shall appoint the members of the joint interim
25 committee created under this section.

26 (j) The joint interim committee created by this section is
27 abolished and this section expires January 20, 2017.

1 SECTION 10. Section 821.001(4), Government Code, as amended
2 by this Act, applies only to a member of the Teacher Retirement
3 System of Texas who retires or dies on or after the effective date
4 of this Act.

5 SECTION 11. Section 825.4092(c), Government Code, as
6 amended by this Act, applies to a retiree of the Teacher Retirement
7 System of Texas regardless of whether the person retired from
8 employment before, on, or after the effective date of this Act.

9 SECTION 12. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 2974 was passed by the House on May 12, 2015, by the following vote: Yeas 141, Nays 3, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2974 on May 29, 2015, by the following vote: Yeas 145, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2974 was passed by the Senate, with amendments, on May 27, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor